

Senate Study Bill 1284

SENATE/HOUSE FILE _____
BY (PROPOSED GOVERNOR'S
BUDGET BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to and making appropriations to the department of
2 economic development, state board of regents, the department
3 of workforce development, the Iowa finance authority, and the
4 public employment relations board and related matters.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 1097XG 81
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1 1 ECONOMIC DEVELOPMENT
1 2 Section 1. GOALS AND ACCOUNTABILITY.
1 3 1. The goals for the department of economic development
1 4 shall be to expand and stimulate the state economy, increase
1 5 the wealth of Iowans, and increase the population of the
1 6 state.
1 7 2. To achieve the goals in subsection 1, the department of
1 8 economic development shall do all of the following:
1 9 a. Concentrate its efforts on programs and activities that
1 10 result in commercially viable products and services.
1 11 b. Adopt practices and services consistent with free
1 12 market, private sector philosophies.
1 13 c. Ensure economic growth and development throughout the
1 14 state.
1 15 Sec. 2. DEPARTMENT OF ECONOMIC DEVELOPMENT. There is
1 16 appropriated from the general fund of the state to the
1 17 department of economic development for the fiscal year
1 18 beginning July 1, 2005, and ending June 30, 2006, the
1 19 following amounts, or so much thereof as is necessary, to be
1 20 used for the purposes designated:
1 21 1. ADMINISTRATION DIVISION
1 22 a. General administration
1 23 For salaries, support, maintenance, miscellaneous purposes,
1 24 programs, and for the transfer to the Iowa state commission
1 25 grant program:
1 26 \$ 1,950,496
1 27 b. The department shall work with businesses and
1 28 communities to continually improve the economic development
1 29 climate along with the economic well-being and quality of life
1 30 for Iowans. The administration division shall coordinate with
1 31 other state agencies ensuring that all state departments are
1 32 attentive to the needs of an entrepreneurial culture.
1 33 2. BUSINESS DEVELOPMENT DIVISION
1 34 a. Business development operations
1 35 For business development operations and programs,
2 1 international trade, export assistance, workforce recruitment,
2 2 the partner state program, for transfer to the strategic
2 3 investment fund, the value-added agricultural products and
2 4 processes financial assistance fund, the physical
2 5 infrastructure assistance fund, for the advanced research and
2 6 commercialization program, salaries, support, maintenance, and
2 7 miscellaneous purposes:
2 8 \$ 12,545,394
2 9 b. The department shall establish a strong and aggressive
2 10 marketing image to showcase Iowa's workforce, existing
2 11 industry, and potential. A priority shall be placed on
2 12 recruiting new businesses, business expansion, and retaining
2 13 existing Iowa businesses. Emphasis shall also be placed on
2 14 entrepreneurial development through helping to secure capital
2 15 for entrepreneurs, and developing networks and a business

climate conducive to entrepreneurs and small business.

c. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

3. COMMUNITY DEVELOPMENT DIVISION

a. Community development programs

For salaries, support, maintenance, miscellaneous purposes, community economic development programs, tourism operations, community assistance, the film office, the mainstreet and rural mainstreet programs, the school-to-career program, the community development block grant, and housing and shelter-related programs:

..... \$ 5,446,591

b. The department shall encourage development of communities and quality of life to foster economic growth. The department shall prepare communities for future growth and development through development, expansion, and modernization of infrastructure.

c. The department shall develop public-private partnerships with Iowa businesses in the tourism industry, Iowa tour groups, Iowa tourism organizations, and political subdivisions in this state to assist in the development of advertising efforts. The department shall, to the fullest extent possible, develop cooperative efforts for advertising with contributions from other sources.

d. Notwithstanding section 8.33, moneys appropriated in this subsection that remain unencumbered or unobligated at the close of the fiscal year shall not revert to any fund but shall remain available for expenditure for the designated purposes during the succeeding fiscal year.

4. For allocating moneys for the world food prize:

..... \$ 285,000

Sec. 3. RURAL COMMUNITY 2000 PROGRAM. There is appropriated from loan repayments on loans under the former rural community 2000 program, sections 15.281 through 15.288, Code 2001, to the department of economic development for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For providing financial assistance to Iowa's councils of governments that provide technical and planning assistance to local governments:

..... \$ 150,000

2. For the rural development program for the purposes of the program including the rural enterprise fund and collaborative skills development training:

..... \$ 120,000

Sec. 4. INSURANCE ECONOMIC DEVELOPMENT. There is appropriated from moneys collected by the division of insurance in excess of the anticipated gross revenues under section 505.7, subsection 3, to the department of economic development for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amount, or so much thereof as is necessary, for insurance economic development and international insurance economic development:

..... \$ 100,000

Sec. 5. COMMUNITY DEVELOPMENT LOAN FUND. Notwithstanding section 15E.120, subsection 5, there is appropriated from the Iowa community development loan fund all the moneys available during the fiscal year beginning July 1, 2005, and ending June 30, 2006, to the department of economic development for the community development program to be used by the department for the purposes of the program.

Sec. 6. WORKFORCE DEVELOPMENT FUND. There is appropriated from the workforce development fund account created in section 15.342A, to the workforce development fund created in section 15.343, for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amount, for the purposes of the workforce development fund:

..... \$ 4,000,000

Sec. 7. WORKFORCE DEVELOPMENT ADMINISTRATION. From funds appropriated or transferred to or receipts credited to the workforce development fund created in section 15.343, up to \$400,000 for the fiscal year beginning July 1, 2005, and ending June 30, 2006, may be used for the administration of workforce development activities including salaries, support, maintenance, and miscellaneous purposes.

Sec. 8. JOB TRAINING FUND. Notwithstanding section 15.251, all remaining moneys in the job training fund on July

4 27 1, 2005, and any moneys appropriated or credited to the fund
4 28 during the fiscal year beginning July 1, 2005, shall be
4 29 transferred to the workforce development fund established
4 30 pursuant to section 15.343.

4 31 Sec. 9. STATE BOARD OF REGENTS.

4 32 1. There is appropriated from the general fund of the
4 33 state to the state board of regents for the fiscal year
4 34 beginning July 1, 2005, and ending June 30, 2006, the
4 35 following amount, or so much thereof as is necessary, to be
5 1 used for small business development centers, the science and
5 2 technology research park, the institute for physical research
5 3 at Iowa state university of science and technology; the
5 4 research park and the advanced drug development program at the
5 5 Oakdale research park at the state university of Iowa; and the
5 6 metal casting institute and the institute of decision making
5 7 at the university of northern Iowa:

5 8 \$ 6,510,572

5 9 2. Of the moneys appropriated in subsection 1, the state
5 10 board of regents shall allocate to Iowa state university of
5 11 science and technology at least \$550,000 for purposes of
5 12 funding small business development centers. Iowa state
5 13 university of science and technology may distribute the moneys
5 14 allocated to the various small business development centers in
5 15 any manner necessary to achieve the purposes of this
5 16 subsection.

5 17 3. Iowa state university of science and technology shall
5 18 do all of the following:

5 19 a. Direct expenditures for research toward projects that
5 20 will provide economic stimulus for Iowa.

5 21 b. Provide emphasis to providing services to Iowa-based
5 22 companies.

5 23 4. The industrial incentive program shall focus on Iowa
5 24 industrial sectors and seek contributions and in-kind
5 25 donations from businesses, industrial foundations, and trade
5 26 associations and that moneys for the institute for physical
5 27 research and technology industrial incentive program shall
5 28 only be allocated for projects which are matched by private
5 29 sector moneys for directed contract research or for
5 30 nondirected research. The match required of small businesses
5 31 as defined in section 15.102, subsection 4, for directed
5 32 contract research or for nondirected research shall be \$1 for
5 33 each \$3 of state funds. The match required for other
5 34 businesses for directed contract research or for nondirected
5 35 research shall be \$1 for each \$1 of state funds. The match
6 1 required of industrial foundations or trade associations shall
6 2 be \$1 for each \$1 of state funds.

6 3 Iowa state university of science and technology shall
6 4 report annually to the joint appropriations subcommittee on
6 5 economic development and the legislative services agency the
6 6 total amount of private contributions, the proportion of
6 7 contributions from small businesses and other businesses, and
6 8 the proportion for directed contract research and nondirected
6 9 research of benefit to Iowa businesses and industrial sectors.

6 10 5. The state university of Iowa shall do all of the
6 11 following:

6 12 a. Direct expenditures for research toward projects that
6 13 will provide economic stimulus for Iowa.

6 14 b. Provide emphasis to providing services to Iowa-based
6 15 companies.

6 16 6. The state board of regents shall submit a report on the
6 17 progress of regents institutions in meeting the strategic plan
6 18 for technology transfer and economic development to the
6 19 secretary of the senate, the chief clerk of the house of
6 20 representatives, and the legislative services agency by
6 21 January 15, 2006.

6 22 7. The university of northern Iowa shall do all of the
6 23 following:

6 24 a. Direct expenditures for research toward projects that
6 25 will provide economic stimulus for Iowa.

6 26 b. Provide emphasis to providing services to Iowa-based
6 27 companies.

6 28 8. Notwithstanding section 8.33, moneys appropriated in
6 29 this section that remain unencumbered or unobligated at the
6 30 close of the fiscal year shall not revert but shall remain
6 31 available for expenditure for the purposes designated until
6 32 the close of the succeeding fiscal year.

6 33 Sec. 10. DEPARTMENT OF WORKFORCE DEVELOPMENT.

6 34 1. There is appropriated from the general fund of the
6 35 state to the department of workforce development for the
7 1 fiscal year beginning July 1, 2005, and ending June 30, 2006,
7 2 the following amount, or so much thereof as is necessary, for

the division of labor services, the division of workers' compensation, the workforce development state and regional boards, for transfer to the boiler safety fund, for transfer to the elevator safety fund, for reimbursement to the department of administrative services for enterprise utility services, for support of new Iowans centers, salaries, support, maintenance, and miscellaneous purposes:
..... \$ 5,708,919

2. From the contractor registration fees, the division of labor services shall reimburse the department of inspections and appeals for all costs associated with hearings under chapter 91C, relating to contractor registration.

3. The division of workers' compensation shall continue charging a \$100 filing fee for workers' compensation cases. The filing fee shall be paid by the petitioner of a claim. However, the fee can be taxed as a cost and paid by the losing party, except in cases where it would impose an undue hardship or be unjust under the circumstances. Of the moneys generated by the filing fee allowed under this subsection, the first \$245,000 is appropriated to the department of workforce development to be used for purposes of administering the division of workers' compensation.

4. Notwithstanding section 8.33, moneys appropriated in this section that remain unencumbered or unobligated at the close of the fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the succeeding fiscal year.

Sec. 11. EMPLOYMENT SECURITY CONTINGENCY FUND. There is appropriated from the special employment security contingency fund to the department of workforce development for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amount, or so much thereof as is necessary, for the purposes designated:
For the division of workers' compensation, salaries, support, maintenance, and miscellaneous purposes:
..... \$ 471,000

Any remaining additional penalty and interest revenue may be allocated and used to accomplish the mission of the department.

Sec. 12. PUBLIC EMPLOYMENT RELATIONS BOARD. There is appropriated from the general fund of the state to the public employment relations board for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amount, or so much thereof as is necessary, for the purposes designated:
For salaries, support, maintenance, and miscellaneous purposes:
..... \$ 924,250

Sec. 13. IOWA FINANCE AUTHORITY. There is appropriated from the general fund of the state to the Iowa finance authority for the fiscal year beginning July 1, 2005, and ending June 30, 2006, the following amounts, or so much thereof as is necessary, for the purposes designated:
1. For the state housing trust fund to provide funding for the development and preservation of local affordable housing for low-income people pursuant to section 16.181:
..... \$ 4,504,081

2. For funding for the rent subsidy program:
..... \$ 700,000

Sec. 14. VALUE-ADDED AGRICULTURAL PRODUCTS AND PROCESSES FINANCIAL ASSISTANCE FUND MONEYS. The office of renewable fuels and coproducts may apply to the department of economic development for moneys in the value-added agricultural products and processes financial assistance fund for deposit in the renewable fuels and coproducts fund created in section 159A.7.

Sec. 15. NEW SECTION. 96.51 SMALL OFFICE OPERATING FUND. A small office operating fund is created in the state treasury under the control of the department of workforce development. The fund is separate and distinct from the unemployment compensation fund. All moneys properly credited to and deposited in the fund are annually appropriated to the department of workforce development to be used for personnel and nonpersonnel costs of operating small offices.

Sec. 16. APPLICATION FOR DEPARTMENT OF ECONOMIC DEVELOPMENT MONEYS. For the fiscal year beginning July 1, 2005, any entity that was specifically identified in 2001 Iowa Acts, chapter 188, to receive funding from the department of economic development, excluding any entity identified to receive a direct appropriation beginning July 1, 2005, may apply to the department for assistance through the appropriate program. The department shall provide application criteria

9 14 necessary to implement this section.

9 15 Sec. 17. SHELTER ASSISTANCE FUND. In providing moneys
9 16 from the shelter assistance fund to homeless shelter programs
9 17 in the fiscal year beginning July 1, 2005, and ending June 30,
9 18 2006, the department of economic development shall explore the
9 19 potential of allocating moneys to homeless shelter programs
9 20 based in part on their ability to move their clients toward
9 21 self-sufficiency.

9 22 Sec. 18. UNEMPLOYMENT COMPENSATION PROGRAM.
9 23 Notwithstanding section 96.9, subsection 4, paragraph "a",
9 24 moneys credited to the state by the secretary of the treasury
9 25 of the United States pursuant to section 903 of the Social
9 26 Security Act shall be appropriated to the department of
9 27 workforce development and shall be used by the department for
9 28 the administration of the unemployment compensation program
9 29 only. This appropriation shall not apply to any fiscal year
9 30 beginning after December 31, 2005.

9 31 EXPLANATION

9 32 This bill makes appropriations and transfers from the
9 33 general fund of the state to the department of economic
9 34 development, state board of regents, the department of
9 35 workforce development, the Iowa finance authority, and the
10 1 public employment relations board for the 2005=2006 fiscal
10 2 year.

10 3 The bill provides that the goals for the department of
10 4 economic development shall be to expand and stimulate the
10 5 state economy, increase the wealth of Iowans, and increase the
10 6 population of the state.

10 7 The bill appropriates from loan repayments on loans under
10 8 the former rural community 2000 program to the department of
10 9 economic development moneys for providing financial assistance
10 10 to Iowa's councils of governments that provide technical and
10 11 planning assistance to local governments and for the rural
10 12 development program for the purposes of the program including
10 13 the rural enterprise fund and collaborative skills development
10 14 training.

10 15 The bill appropriates moneys collected by the division of
10 16 insurance in excess of the anticipated gross revenues to the
10 17 department of economic development for purposes of insurance
10 18 economic development and international insurance economic
10 19 development.

10 20 The bill appropriates moneys from the Iowa community
10 21 development loan fund to the department of economic
10 22 development for purposes of the community development program.

10 23 The bill appropriates moneys from the workforce development
10 24 fund account to the workforce development fund.

10 25 The bill provides that moneys appropriated or transferred
10 26 to or receipts credited to the workforce development fund may
10 27 be used for administration of workforce development
10 28 activities.

10 29 The bill provides that all moneys remaining in the job
10 30 training fund on July 1, 2005, and any moneys appropriated or
10 31 credited to the fund during the fiscal year beginning July 1,
10 32 2005, shall be transferred to the workforce development fund.

10 33 The bill appropriates moneys from the special employment
10 34 security contingency fund to the department of workforce
10 35 development for the division of workers' compensation and
11 1 immigration service centers.

11 2 The bill allows the office of renewable fuels and
11 3 coproducts to apply to the department of economic development
11 4 for moneys in the value-added agricultural products and
11 5 processes financial assistance fund for deposit in the
11 6 renewable fuels and coproducts fund.

11 7 The bill creates a small office operating fund in the state
11 8 treasury under the control of the department of workforce
11 9 development as a fund separate and distinct from the
11 10 unemployment compensation fund. The bill provides that all
11 11 moneys properly credited to and deposited in the fund are
11 12 annually appropriated to the department of workforce
11 13 development to be used for personnel and nonpersonnel costs of
11 14 operating small offices.

11 15 The bill provides that, for the fiscal year beginning July
11 16 1, 2005, any entity that was specifically identified in 2001
11 17 Iowa Acts, chapter 188, to receive funding from the department
11 18 of economic development, excluding any entity identified to
11 19 receive a direct appropriation beginning July 1, 2005, may
11 20 apply to the department for assistance through the appropriate
11 21 program.

11 22 The bill provides that, in providing moneys from the
11 23 shelter assistance fund to homeless shelter programs, the
11 24 department of economic development shall explore the potential

11 25 of allocating moneys to programs based in part on their
11 26 ability to move their clients toward self=sufficiency.
11 27 The bill appropriates moneys from moneys credited to the
11 28 state by the secretary of the treasury of the United States
11 29 pursuant to the Social Security Act to the department of
11 30 workforce development for the administration of the
11 31 unemployment compensation program only.
11 32 LSB 1097XG 81
11 33 tm:mg/gg/14.5